

Budget in balance in a way the Government knows nothing about. That is why we need a change of Government as soon as possible in order to get these things done.

• (1620)

[Translation]

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, this afternoon I would like to comment on Bill C-109, and since the Bill is a prime example of the poor management the Conservative Government has inflicted on Canadians during the past four years, I would also like to say how appalled I am at the Government's failure to act in many respects. If passed, this Bill will authorize the Government to increase the national debt by \$25.3 billion during the coming fiscal year, starting April 1.

As was pointed out by the Hon. Member for Laval-des-Rapides (Mr. Garneau) in his speech, this loan of \$25.3 billion would carry interest charges totalling \$2.5 billion for fiscal 1989-90. And that is not counting a very likely increase in interest rates, a possibility already mentioned by several economic experts. Twenty-five billion dollars may not seem like much—just a routine loan to add to a national debt that is already far too high. By the end of this fiscal year, our national debt will be nearly \$300 billion. Three hundred billion dollars, which means a little more than \$12,000 per Canadian. Every year, every man, woman and child in this country pays an average of over \$1,000 in taxes, just to pay off the interest on the national debt. That is an enormous amount when we realize that many people, for various reasons, do not pay any income tax at all.

And the worst part is that although the economy is in very good shape, the Conservative Government keeps increasing the debt. Madam Speaker, I hate to think what would happen if this Government were in power during a recession or even during a period of economic stability!

About 10 years ago, around 1978-79, the deficit or debt was about \$60 billion. In 1984—after a recession that had affected Canada's economy during 1981, 1982 and early 1983—the deficit was \$199 billion when the Government changed hands. After four years under a Conservative Government, we now have a total national debt of \$322 billion, and if I may quote the Hon. Member for Laval-des-Rapides, the Government and government Members like to say the deficit is largely the fault of the previous Government. On the other hand, if the previous Liberal Government had failed to take the necessary action when the recession hit Canada's economy and the international economy, I wonder where we would be today, because the measures taken by the Liberal Government helped to maintain welfare and unemployment insurance programs. It is not surprising that the deficit rose at the time, because the unemployment rate was high, but on the other hand, because of the unemployment insurance benefits and subsidies Canadians were receiving, companies could continue to buy and sell and maintain Canada's economy at a certain level during this difficult period.

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And today our criticism of this government is that although we are clearly in a period of economic growth throughout the world, including Canada, it has done absolutely nothing to reduce the deficit.

All it does is change its accounting practices—I will get back to this later on—and I think that is the most serious criticism one can level at the Conservative Government. At a time when it could take advantage of a period of tremendous economic growth to reduce spending and substantially reduce the deficit, it has maintained the deficit or reduced it so little that our national debt continues to rise. If this Government were faced with an economic recession or even with a period of economic stability, I would hate to be here in the House to hear how much the Minister of Finance (Mr. Wilson) would have to increase the annual deficit to meet the Government's spending requirements.

Madam Speaker, after six years of economic growth the situation is now worse than it was during the economic recession in 1981, 1982 and early 1983. Again, as a citizen of this country I am very concerned that this Government failed to take advantage of the excellent state of the economy: \$25.3 billion is far too much for a Government that has forfeited the trust of Canadian men and women by failing to keep its promises; \$25.3 is incredible for a Minister of Finance who in his last Budget has shown he is totally inept as far as managing taxpayers' money is concerned; \$25.3 billion is ridiculous, when we realize that with all its loans and tax revenues, and despite the excellent economic situation, the Conservative Government still has nothing to offer the poor, the needy and youth.

Although we in the Liberal Party do not wish to delay unduly the passage of this Bill, we must be aware of the circumstances surrounding this loan. In 1984, this Government promised Canadians it would not increase taxes, saying they were already too high. And today? My colleague from Laval-des-Rapides has described the situation in a number of speeches. This Government has repeatedly broken its promises by imposing a series of new taxes and increasing existing ones. I will not enumerate them all, but if we add them all up, we end up with something like an increase of \$22 billion—22 billion dollars more, six years of economic growth and the Minister wants to borrow another \$25.3 billion from Canadians for the coming fiscal year. Madam Speaker, there is something here that does not add up.

In 1984, the same Government also promised Canadians that it would substantially reduce the deficit. In his Budget Speech, the Minister of Finance said the deficit had been reduced to \$29.3 billion. This was not a particularly outstanding achievement, considering the excellent state of the world economy and the promises made by the Minister. Increasingly, people are realizing that this figure is the result of one of the Conservative Government's accounting tricks.

In fact, besides other excellent initiatives, the Minister of Finance also changed the accounting methods used by the Liberal Government at the time. We could assume these would